

Senator Kahle also represents one of those districts which would be better served by this sort of proposal. Senator Rasmussen, you would not be served better by this proposal. What we're proposing to do here is to totally remove the lid so none of the money goes back, in the future, to real property. We're going to use sales and income tax monies, down the road, and we're going to make the distribution formula half on where the money goes presently, and the other half based on a population formula. That is probably the only way that you can make the distribution formula half way fair. The fairest way to do that would be to put it back on a population basis. But, because of some problems, we're not likely to do that, and that is not the proposal that I think would best serve us all. I think that this proposal has a great deal of merit. I would hope that some members of this body would support it, would discuss it, would analyze it, would try to find some statistics, etc., to see how it would benefit you. Thank you very much.

PRESIDENT: The question is the adoption of Senator Newell's amendment to LB 518. Record your vote. Have you all voted? Record.

CLERK: 9 ayes, 19 nays.

PRESIDENT: Motion fails.

CLERK: The next amendment, Mr. President, is offered by Senator Newell. It's identified as amendment number four. It's found on page 1538 of the Journal.

SENATOR NEWELL: Well Mr. President, members of the body. Since that very meritorious proposal was down the river, I can only assume that the best way to proceed now is with trying to set some original ceilings again, as I proposed earlier. This amendment is a little more conservative than other amendments. It would save the state a considerable amount of money. Basically, the amendment reads as such-- That 100 percent of the first \$10,000 of the actual value will be exempted from personal property. Fifty percent of the next \$40,000 would be exempted from personal property. No exemption shall be allowed for that amount of actual value which exceeds \$50,000. Okay the purpose of this amendment, again, is similar to some of the other ones that I proposed with different dollar amounts. This amendment would only exempt 50 to 60 percent of all the accounts in Nebraska. However, the real attractive part of this amendment is that it would save the great State of Nebraska a substantial amount of money. We could reduce the present \$40 million, that is in the personal property tax relief fund, to less than \$10 million. Now, granted, this would add the personal property taxes...this would raise personal property taxes for the individual farmers and for the large corporations, but it would provide the minimum amount of support and take the edge off of what is, as we all now agree, an unfair tax. This proposal is probably the way we should go. It might be better to look at a solution like this, coupled with one or two pieces of property, or one or two pieces of the exemption. Iowa has adopted a similar sort of plan in terms of farm equipment. Iowa's situation, as many of us know, and many of us get the information from out in the lobby so if this information is incorrect please correct me, Iowa has exempted farm and business inventories. Separately they have exempted farm equipment up to the first \$10,000 of assessed valuation. That is what Iowa does in terms of farm